

Commercial Linkage Fee

March 5, 2019

Item 4.3



History

**September 11,
2018**

The City Council considered a Civil Grand Jury report on the affordable housing crisis which discussed commercial linkage fees.

December 27, 2018

The City Council directed staff to return with a scope, timeline and budget for nexus and feasibility studies for a Commercial Linkage Fee

March 5, 2019

The City Council maintained Commercial Linkage Fee on the Council Policy Priority List as Priority #8.

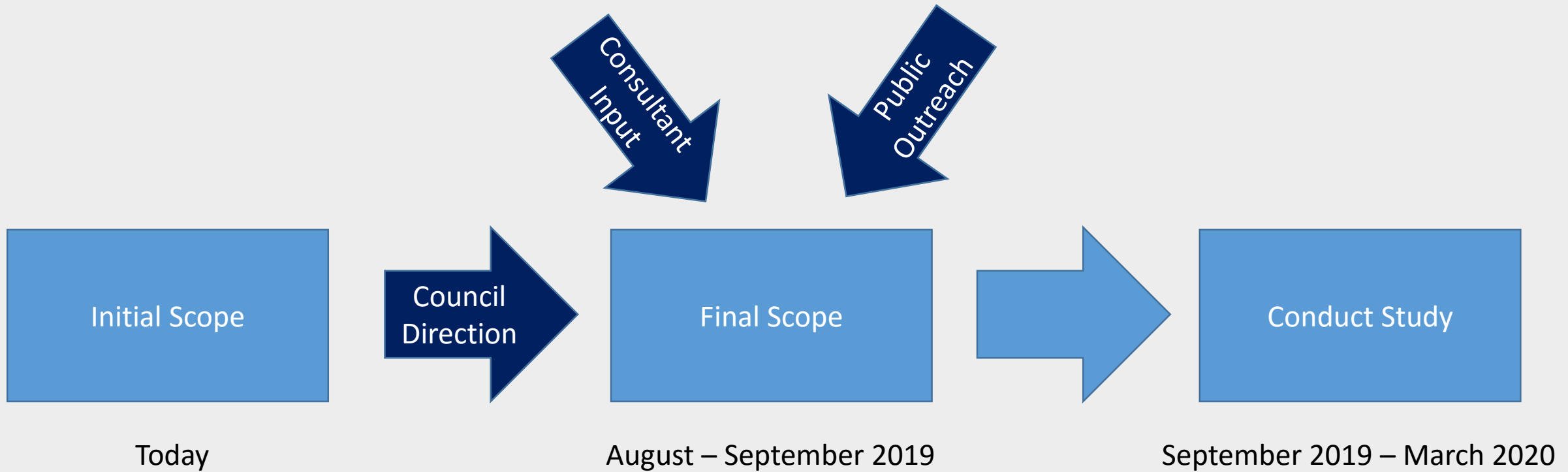
Definitions

- **Nexus Study:** establishes the basis for the fee by assessing how new commercial development increases the need for affordable housing and provides evidence of a reasonable relationship between the need for affordable housing and the type of development.
- **Feasibility Study:** assesses the affect a Commercial Linkage Fee might have on the feasibility of new commercial development. It assesses the costs and revenues associated with new development and attempts to determine whether the addition of a fee would deter development.

Timeline

Estimated Time	Task
March – June 2019	Conduct consultant procurement process
June – July 2019	Negotiate consultant contract
August – September 2019	Conduct initial outreach, confirm study design
September 2019 – March 2020	Consultant conducts study, including data gathering, analysis and drafting. Update to the Community and Economic Development committee in fall 2019
March – April 2020	Internal staff review, additional outreach and finalize study
April – June 2020	Development of staff recommendations, release of draft study, and additional outreach
June 2020	Report findings and recommendation to City Council

Scope

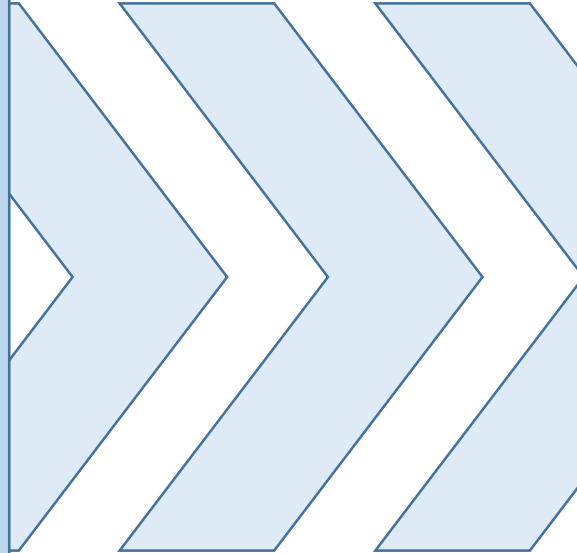


Scope

Initial Scope

Staff has developed an initial, high-level scope for the Council's review, including:

- List of 16 potential prototypes
- Study multiple geographic areas
- Study multiple fee levels
- Include all other City fees in the model



Final Scope

Final scope would include elements from initial scope, with the following refinements:

- Narrow list of prototypes down to 8 or less
- Determine how High Tech Office could be incorporated into prototype list
- Finalize list of geographic areas for study